POCL ENTERPRISES LIMITED

POLICY ON MATERIAL SUBSIDIARIES

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Approved on: July 01, 2026
Revision on: Not Applicable

Introduction

Pursuant to Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("SEBI Listing Regulations"), the Board of Directors of the Company has approved and adopted this Policy for Determining Material Subsidiaries ("Policy"). The objective of this Policy is to lay down the criteria for identifying the Company's material subsidiary(ies) and to prescribe the governance framework and compliance requirements applicable to such material subsidiary(ies), in accordance with the provisions of the SEBI Listing Regulations and other applicable laws, as may be amended from time to time.

Definitions

"Act" means the Companies Act, 2013 including the rules, schedules, clarifications and guidelines issued and amended by the Ministry of Corporate Affairs, from time to time;

"Audit Committee" shall mean the Audit Committee of the Board of Directors constituted in accordance with the provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

"Board" means the Board of Directors of POCL Enterprises Limited;

"Control" shall have the same meaning as assigned to it under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

"Independent Director" means a director of the Company, not being a whole- time director or managing director or nominee director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence under the Act and SEBI Listing Regulations.

"Material Subsidiary" in terms of Regulation 16(1)(c) of the Listing Regulations means a subsidiary of the Company, whose turnover or net worth exceeds 10% of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

"SEBI Listing Regulations" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any amendment thereto and/or modification thereof from time to time, and includes any circulars, guidelines, directions and industry standards, issued thereunder or in relation thereto.

"Significant Transaction or Arrangement" means any individual transaction or arrangement that exceeds or is likely to exceed 10% (ten per cent) of the total revenues or total expenses or total assets or total liabilities, as the case may be, of an unlisted subsidiary for the immediately preceding accounting year;

"Subsidiary(s)" shall mean subsidiaries of the Company as defined under the Act and as per the applicable accounting standards.

"Turnover" means the gross amount of revenue recognised in the profit and loss account from the sale, supply, or distribution of goods or on account of services rendered, or both, by a company during a financial year;

"Unlisted Subsidiary" means a Subsidiary of the Company whose shares are not listed on any stock exchange.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Act, the SEBI Listing Regulations, and any other law applicable to the Company for the time being in force and/or as may be restated and/or modified from time to time, shall have the meaning respectively assigned to them therein.

Governance Framework

a. The Audit Committee of the Company shall periodically review the financial statements, in particular, the investments made by the unlisted subsidiary company.

b. The minutes of the Board Meetings of the unlisted subsidiary company shall be placed before the Board of Directors of the Company.

c. The management of the unlisted subsidiary shall periodically bring to the attention of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company.

   A transaction or arrangement shall be considered significant if it exceeds or is likely to exceed 10 percent of total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiary for the immediately preceding financial year.

d. At least one Independent Director of the Company shall be a director on the Board of the unlisted material subsidiary company, whether incorporated in India or not.

   For the purpose of this provision, the term "material subsidiary" shall mean a subsidiary, whose income or net worth exceeds 20 percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding financial year.

e. The Company shall obtain prior approval of shareholders by way of special resolution, if the disposal of shares in its material subsidiary (either on its own or together with other subsidiaries) results in reduction of its shareholding, to less than 50 percent or the Company ceases the exercise of control over such subsidiary;

   Such approval shall not be required if the disinvestment is:
   (i) under a scheme of arrangement duly approved by a Court/Tribunal, or
   (ii) under a resolution plan duly approved under the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

f. The Company shall obtain prior approval of shareholders by way of special resolution, if any sale, disposal and leasing of assets amounting to more than 20 percent of the assets of the material subsidiary on an aggregate basis during a financial year;

   Such approval shall not be required, if such sale, disposal, lease of assets is:
   (i) under a scheme of arrangement duly approved by a Court/Tribunal, or
   (ii) under a resolution plan duly approved under Section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

g. Every material unlisted subsidiary incorporated in India shall undertake secretarial audit and the secretarial audit report shall be annexed with the annual report of the Company.

The Management of the Company shall monitor and ensure that as and when any of the subsidiary is determined as a Material Subsidiary the same shall be intimated to the Audit Committee. The Audit Committee shall review the same and make suitable recommendations to the Board to ensure compliance with the Listing Regulations in this regard.

Disclosure

As prescribed under, SEBI Listing Regulations, this Policy shall be disclosed on the Company's website and a web-link thereto shall be provided in the Annual Report.

Review of the Policy

This Policy shall be subject to review as may be deemed necessary and in accordance with any regulatory amendments.

Effective Date

This policy shall come into force with effect from July 1, 2026.